

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
OCTOBER 11, 2001

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, October 11, 2001. Members present were Gary M. Smith, Vice Chairman; Tony Zaleski, Ronald E. Depasse, David D. Baer, Loretta M. Burd, James L. Saner and Briget Polichene. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director, Depository Division; Randall L. Rowe, Bank Supervisor; Kirk J. Schreiber, Senior Bank Analyst; Gina R. Williams, Senior Bank Analyst; Mark K. Powell, Supervisor, Credit Union Division; Mark Tarpey, Division Supervisor, Consumer Credit Division and Ronda Bailey, Administrative Assistant.

I. PUBLIC SESSION

- A.) Charles W. Phillips, Director, will introduced the new Board Member, Ms. Briget Polichene. Ms. Polichene is Vice President and Chief Privacy Officer for Conseco. J. Philip Goddard, Chief Counsel, swore in Ms. Polichene.
- B.) Attendance
- C.) Date of next meeting: November 8, 2001 @ 9:00 a.m.
- D.) A motion was made for approval of the minutes of the meeting held August 9, 2001, by Mr. Depasse and was seconded by Mr. Zaleski. **The minutes were unanimously approved.**

DIVISION OF BANKS AND TRUST COMPANIES

1.) Peoples Bank and Trust Company, Sunman, Ripley County, Indiana

Mr. Kirk J. Schreiber, Senior Bank Analyst, presented this application. Peoples Bank and Trust Company ("Peoples Bank") has filed an application for approval to merge with Union Bank and Trust Company, North Vernon, Jennings County, Indiana ("Union Bank"), Farmers State Bank, Liberty, Union County, Indiana ("Farmers State"), and Vevay Deposit Bank, Vevay, Switzerland County, Indiana ("Vevay Deposit"), pursuant to IC 28-1-7. Peoples Bank will survive the merger. The name of the resulting institution will be Heritage Community Bank.

All four banks are wholly owned bank subsidiaries of First Financial Bancorp, Hamilton, Butler County, Ohio ("Bancorp"). The main reasons for merging the four banks are enhanced service offerings, added financial strength, increased market share and elimination of unnecessary duplication of expenses.

As a result of the merger, Peoples Bank's main office will be relocated to an existing branch office of Union Bank located in Columbus, Bartholomew County, Indiana. The main office of Peoples Bank, Union Bank, Farmers State and Vevay Deposit and the branches of each of the banks will be operated as branches of the resultant institution.

On a pro forma basis as of June 30, 2001, the resulting bank will have total assets of \$373 million and an adequate tier one capital ratio of 8.09%. The three-year average ROA for Peoples Bank is 1.48%, for Union Bank is 2.34%, for Farmers State is 0.92% and for Vevay Deposit 0.84%. As of June 30, 2001, the ROA for Peoples Bank was 1.00%, for Union Bank was 1.72%, for Farmers State was 1.10% and for Vevay Deposit was 1.09%. On a proforma basis land and buildings represents 10% of sound capital. The investment in total fixed assets represents only 6.5% of total capital.

Bancorp received a satisfactory BOPEC rating from the Federal Reserve Bank of Cleveland at their most recent bank holding company inspection of August 14, 2000. All four banks received satisfactory CRA ratings at their most recent examinations.

With respect to the management of the resultant bank: 1) The board of directors will consist of seven directors, two each from Peoples Bank and Union Bank, one from Farmers State, one from Vevay Deposit and one from Bancorp.; 2) Dean Miller, President and CEO of Peoples Bank will become President and CEO of resultant bank; 3) David Mackey, President and CEO of Farmers State, William McNeely, President and CEO of Union Bank and Karen Miller, President and CEO of Vevay Deposit will all become Chief Operating Officers; 4) Matt Marro, Auditor with Ernst & Young will become Vice President and Chief Financial Officer; and 4) All other officers and employees of Peoples Bank, Union Bank, Farmers State and Vevay Deposit will be offered employment with resultant bank.

The Federal Reserve Bank of Cleveland approved this merger on September 7, 2001.

The staff recommends approval of the merger.

A motion for approval of the merger application was made by Mr. Baer and seconded by Mr. Saner. **The application was unanimously approved.**

2.) **Home Federal Savings Bank, Seymour, Jackson County, Indiana**

Ms. Gina Williams, Senior Bank Analyst, presented this application. Home Federal Savings Bank ("Home Federal") has filed an application to convert from a federally chartered savings bank to a state chartered commercial bank pursuant to IC 28-1-21.6. As part of the conversion, Home Federal will relocate its main office from Seymour, Indiana to Columbus, Indiana and change its name. The new name has yet to be determined. In addition to its main office, Home Federal operates 16 full service branches. Its primary trade area consists of Bartholomew, Jackson, Jefferson, Jennings, Scott, Ripley, Decatur, and Washington.

In addition to the charter conversion, Home Federal has applied to the Federal Reserve Bank of Chicago to become a fed member bank. If the conversion and fed membership applications are approved, the Department and the Federal Reserve Bank will regulate Home Federal.

Home Federal is a wholly owned subsidiary of Home Federal Bancorp ("Bancorp"). Bancorp has an application pending with the Federal Reserve Bank of Chicago to become a bank holding company in connection with Home Federal's conversion to a commercial bank.

Home Federal has two wholly owned subsidiaries, Home Savings Corporation and HomeFed Financial Corporation. Home Savings Corporation is used for investments in real estate development projects as well as sales of nondeposit investment products. As of June 30, Home Savings Corporation was involved in six real estate development projects with a total investment of \$9.2 million. Real estate development is not an allowable activity for state chartered commercial banks; however, IC 28-1-21.6-12 allows the Department to permit a resulting commercial bank from a conversion up to 10 years to wind up any activities and divest of any assets that were legal for a federally chartered savings bank.

Home Savings Corporation also owns an interest in Family Financial Life Insurance Company, which offers credit-related insurance products and annuities. Management of Home Federal has stated that it intends to transfer this ownership interest to Bancorp prior to the charter conversion.

Home Federal also owns the outstanding stock of HomeFed Financial Corporation, which was incorporated in 1985. This subsidiary has never engaged in any business activity.

Ms. Williams informed the Members that an examination of Home Federal commenced on July 30, 2001. Examiners from the Federal Reserve also participated on the examination due to the pending fed membership application. As of June 30, 2001, Home Federal had total assets of \$864 million and total equity of \$81 million.

Home Federal's Tier 1 leverage capital ratio of 7.97% was considered satisfactory. Profitability was considered strong and demonstrated a stable trend. Return on average assets was approximately 1.17%. Budgeted return on assets for the year is slightly above 1%.

The review of Home Federal's assets quality revealed credit risk to be moderate. Credit risk trends are increasing due to the growth in the commercial and commercial real estate portfolios; however, problem credits remain at a manageable level. No credit quality trends were noted in the investment portfolio.

Home Federal was considered to have a moderate composite risk exposure in its liquidity position. Strong management procedures for measuring and monitoring liquidity needs control the level of exposure in this area. Market risk was low due also due to strong risk

management and strategies that effectively control the risk from the substantial mortgage portfolio and noncore funding liabilities.

Senior management was considered competent and the directors well informed on the activities of the bank. There will be no change in the directors, officers, or operating personnel due to the conversion.

The results of the examination reveal the overall financial condition of Home Federal to be satisfactory.

Ms. Williams informed the Members that the Department also conducted a Depository Compliance Examination. Violations cited were primarily due to software programming errors and management was in the process of researching the errors to correct.

Based on the findings of the examination, the staff determined that the resulting commercial bank would operate in a safe, sound, and prudent manner. The proposed charter conversion would not result in a commercial bank that has inadequate capital, unsatisfactory management, or poor earnings prospect. The management and other principals are qualified by character and financial responsibility to control and operate the resulting commercial bank in a legal and proper manner. The interests of the depositors, creditors, and the public would not be jeopardized by the charter conversion.

The staff therefore recommended that the Members approve the charter conversion of Home Federal Savings Bank from a federally chartered savings bank to a state chartered commercial bank. The staff also requested the Members delegate to the director the authority to determine the length of time, pursuant to IC 28-1-21.6-12, for the converting institution to wind up any activities and retain any assets that are not permitted for a commercial bank.

After a brief discussion, a motion for approval of the charter conversion was made by Mr. Zaleski and seconded by Ms. Burd. **The application was unanimously approved.**

A motion to delegate to Director Phillips the Member's authority to determine the length of time for the converting institution to wind up any activities and retain any assets not permitted for a commercial bank was made by Ms. Burd and seconded by Mr. Zaleski. **The motion was unanimously approved.**

3.) **Piper Holdings, Inc., Covington, Fountain County, Indiana**

Ms. Gina Williams, Senior Bank Analyst, presented this application. Piper Holdings, Inc. ("Piper") has filed an application to acquire 100% of Heritage Bancshares, Inc. ("Bancshares") and thereby indirectly acquire control of its subsidiary bank, Heritage Bank and Trust Company ("Heritage"), Darlington, Montgomery County, Indiana.

Piper and the three shareholders of Bancshares, Chadwick Smith, Perry Smith, and McFinley Company, entered into a Stock Purchase Agreement dated June 5, 2001. The agreement provides that Piper will pay \$2,500,000, subject to certain adjustments, for the

7,250 shares

of outstanding Bancshares common stock. Bancshares owns 91.6% of the outstanding shares of common stock of Heritage. The remaining 8.4% of Heritage stock is widely dispersed among 31 shareholders.

Based on the cash consideration price, each shareholder of Bancshares will receive approximately \$344.83 per share. As of June 30, the book value of Bancshares common stock is \$161.79. The cash consideration price represents a premium of \$183.04 per share or 2.13x book value. The agreement also requires Chadwick Smith to place \$450,000 in escrow for loan losses incurred by Heritage for three years following the acquisition.

As of June 30, 2001, Heritage had total assets of \$16 million, total deposits of \$14 million and equity capital of \$1.5 million.

Ms. Williams reminded the Members that they had approved a Plan of Exchange on June 14, 2001, whereby Piper would exchange its stock for the stock of The Fountain Trust Company, a state chartered commercial bank headquartered in Covington, Indiana, and thereby become a bank holding company. The exchange of stock was effective September 21, 2001. One of the primary reasons for the formation of Piper was to acquire the stock of Bancshares.

Cash for the acquisition of Bancshares stock will come from a dividend The Fountain Trust Company will pay Piper prior to the closing of the acquisition. As of June 30, 2001, The Fountain Trust Company had a Tier 1 leverage capital ratio of 20.72%, total assets of \$107 million and total capital of \$22 million. After the payment of the dividend, The Fountain Trust Company's pro forma Tier 1 leverage capital ratio to total assets is 18.91%.

Pro forma combined financial statements as of June 30, 2001 for Piper reflect a Tier 1 leverage capital ratio of 17.12%, total assets of \$122 million and total equity capital of \$22 million.

The Fountain Trust Company and Heritage each received Satisfactory CRA ratings at their most recent examinations for compliance with the Community Reinvestment Act.

After the acquisition, the board of directors of The Fountain Trust Company will be elected as the board of directors of Heritage. The executive officers of The Fountain Trust Company will assume the same positions at Heritage. Carolyn Mullens and David Hacker will continue in their capacities as vice presidents of Heritage.

No negative factors or comments were received by the Department that would adversely affect Piper, Bancshares, or the communities they serve. Ellen Holmgren of the Federal

Reserve Bank of Chicago anticipates approval by the Federal Reserve in November 2001.

Ms. Williams told the Members that it was the staff's opinion that Piper satisfactorily meets the requirements in IC 28-2-14 and therefore recommends approval of Heritage Bancshares, Inc. by Piper Holdings, Inc.

A motion for approval of the acquisition application was made by Mr. Saner and seconded by Mr. Baer. **The application was unanimously approved.**

DIRECTOR'S COMMENTS AND REQUESTS

- A.) Phil Goddard briefed the Members on the recent Supreme Court decision concerning payday lending. Mr. Goddard explained the present status of the licensees as to whether they have gone out of business or are operating in a different structure. The different structures were discussed including the using of out of state banks for purposes of in state payday lenders being able to charge the interest on loans governed by those out of state banks. The legality of this was discussed and Mr. Goddard explained the position of other states on this issue, and that a meeting was being convened in Washington for purposes of establishing a plan of direction on this issue. He plans to be present for this meeting. The Indiana Attorney General has been briefed on the issues involved and is taking an active interest in the developments. The Attorney General will have a representative at the Washington meeting from a Washington law firm. Mr. Goddard also informed the Members of recent visits by industry representatives who have expressed a total spirit of cooperation in developing legislation that would allow the industry to exist in Indiana under tightly regulated statutes.

In conclusion, Mr. Goddard reported on the status of the cases pending in federal court that will now be resolved in lieu of the Supreme Court decision. A settlement conference is scheduled for October 29, 2001. The outcome of this conference could impact the future of several companies presently operating in Indiana. Mr. Goddard will keep the Members posted on developments

- B.) **Irwin Union Bank and Trust Company, Columbus, Bartholomew County, Indiana**
On July 25, 2001, the Department received notice of Irwin Union Bank and Trust Company's intent to establish a wholly owned subsidiary to be known as Irwin Union Securitization Corporation 2001 pursuant to IC 28-13-6. Securitization Corporation will be incorporated under the laws of Delaware. It will be used to facilitate the securitization of certain business loans, commercial and industrial small business loans not collateralized primarily by real estate, of Irwin Union. **This item was for informational purposes only.**
- C.) **First Farmers Bank and Trust Company, Converse, Miami County, Indiana**
On July 30, 2001, the Department received notice of First Farmers Bank and Trust Company's intent to form three qualifying subsidiaries pursuant to IC 28-13-16. The three subsidiaries will be known as Mark Tully Investments, Inc. ("Op Sub 1"), Mark Tully

Holdings, Inc. ("Op Sub 2") and Mark Tully Limited Liability Company ("LLC"). The LLC is being established to acquire, hold, sell, exchange and otherwise dispose of and to collect the

income from investment securities and to hold the intangible property of the Bank consisting of the Bank's trademark and receive royalty payments from the Bank for the use of such name. Op Sub 1 will be the general partner of the LLC and Op Sub2 will be the limited partner of the LLC. **This item is for informational purposes only.**

D.) 1st Source Bank, South Bend, St. Joseph County, Indiana

On August 8, 2001, the Department received notice of 1st Source Bank's intent to restructure three of its existing wholly owned operating subsidiaries to create a new operating subsidiary, 1st Source Intermediate Holding, LLC, pursuant to IC 28-13-16. The three existing wholly owned operating subsidiaries of the bank involved in the restructuring are Michigan Transportation Finance Corporation, 1st Source Funding Corporation, and 1st Source Specialty Finance, Inc. **This item was for informational purposes only.**

E.) Irwin Union Bank and Trust Company, Columbus, Bartholomew County, Indiana

On August 20, 2001, the Department received notice of Irwin Union Bank and Trust Company's intent to establish two qualifying subsidiaries to be known as IHE Funding Corp II and IHE Funding Corp IIA pursuant to IC 28-13-6. IHEF II is being established to facilitate securitizations of the home equity products of the Bank and IHEF IIA is being established to receive the residual interests in the cash flows of the securitized assets in excess of the bond investors' required returns. **This item was for informational purposes only.**

F.) CSB State Bank, Cynthiana, Posey County, Indiana

The bank notified the Department that they closed the branch banking office that was known as the "Princeton Branch" located at 107 Hart Street, Princeton, Gibson County, Indiana. The branch office closed on August 10, 2001 @ 5:00 a.m. **This item was for informational purposes only.**

- G)** Director Phillips advised the Members of actions taken pursuant to Delegated Authority. Mr. Phillips asked for any questions or clarifications of the actions, which are as follows:

DIVISION OF BANK AND TRUST COMPANIES

1.) MONROE BANK, BLOOMINGTON, MONROE COUNTY, INDIANA

The bank has applied for approval to open a branch banking office to be located at **2057 Hadley Road, Plainfield, Hendricks County, Indiana**. The application was received on July 26, 2001. The branch is to be known as the Plainfield Branch. The bank intends to lease a 2,400 square foot office in a strip shopping center. The bank will lease the space from an independent third party. The proposed lease is for a period of five years with options for two additional five-year extensions. The lease expense for the first five-year period, including common area maintenance, will be \$14.50 per square foot. The rate for subsequent

five-year periods will adjust to the lesser of the actual CPI change or 3% per year. It is estimated that there will be \$80M worth of leasehold improvements. Furniture, fixtures, and equipment costs are projected to be \$180M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank's three-year average ROA is 1.23%. As of December 31, 2000, the Tier I leverage capital ratio is 8.68%. The investment in total fixed assets to total capital will be 26.70% after the establishment of the branch. This will be the institution's twentieth branch. **The Director approved this on August 20, 2001, under Delegated Authority.**

2.) **COMMUNITY BANK, NOBLESVILLE, HAMILTON COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch banking office to be located at **12514 Reynolds Drive, Fishers, Hamilton County, Indiana**. The application was received on July 31, 2001. The branch is to be known as the Fishers Branch. The bank purchased the land for the branch approximately 2 years ago. The estimated cost to construct the building is \$400M and the projected cost for furniture, fixtures, and equipment is \$165M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank will initially lease approximately 50% of the branch until the bank utilizes the extra space for future expansion. The bank's three-year average ROA is 1.79%. As of March 31, 2001, the bank's Tier 1 leverage capital ratio is 12.43%. The investment in total fixed assets to total capital will be 16.26% after the establishment of the branch. This will be the institution's tenth branch. **The Director approved this on August 20, 2001, under Delegated Authority.**

3.) **IRWIN UNION BANK & TRUST COMPANY, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The bank is requesting approval to relocate its branch office from **880 Munson Street, Traverse City, Grand Traverse County, Michigan to 333 Grandview Parkway, Traverse City, Grand Traverse County, Michigan**. The application was received on August 10, 2001. The relocated branch will be known as Irwin Union Bank & Trust Company. The proposed branch location on Grandview Parkway is approximately three miles from the Munson Street branch location. The new branch will increase accessibility for customers as it will be closer to the downtown area. The bank will lease the new branch location from an unaffiliated third party. Leasehold improvements are projected at \$162M and furniture, fixtures, and equipment are estimated at \$191M. The resulting investment in fixed assets to total capital will be 4.90%. The bank's three- year average ROA is 2.33%. As of March 31, 2001, the bank's Tier 1 leverage capital ratio is 13.29%. The institution will continue to have twenty-two branches after the branch relocation. **The Director approved this on August 20, 2001, under Delegated Authority.**

4.) **CITIZENS FIRST STATE BANK, HARTFORD CITY, BLACKFORD COUNTY, INDIANA**

The bank is requesting approval to relocate its branch office from **4120 West Bethel Avenue, Muncie, Delaware County, Indiana to 3360 North Morrison Avenue, Muncie, Delaware County, Indiana**. The application was received on August 7, 2001. The relocated branch will be known as Citizens First State Bank. The proposed branch location

on Morrison Avenue is approximately 1/3 of a mile west from the Bethel Avenue branch location. The bank purchased the land in April 2001 for \$275M. The estimated cost to construct the building is \$435M and furniture, fixtures, and equipment are estimated at \$140M. No insider relationship exists between any insiders of the bank and any of the parties involved in this transaction. The bank is currently leasing the current branch location. The resulting investment in fixed assets to total capital will be 25.410%. The bank's three-year average ROA is 1.37%. As of March 31, 2001, the bank's Tier 1 leverage capital ratio is 9.68%. The institution will continue to have three branches after the branch relocation.

The Director approved this on August 20, 2001, under Delegated Authority.

5.) **STAR FINANCIAL BANK, ANDERSON, MADISON COUNTY, INDIANA**

The bank has applied for approval to relocate a branch banking office from **301 East Main Street, Gas City, Grant County, Indiana** to a newly constructed branch facility to be located at **931 East Main Street, Gas City, Grant County, Indiana**. The application was received on August 6, 2001. The bank purchased the land for approximately \$265M. Construction of the building is estimated to cost \$650M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank will attempt to sell the current location. The expected completion date for the proposed branch is April 1, 2002. The bank's three-year average ROA is 0.79%. As of June 30, 2001, the Tier I leverage capital ratio is 7.68%. The investment in total fixed assets to total capital will increase from 20.08% before the proposed relocation to 20.98% following the relocation of the branch.

The Director approved this on August 20, 2001, under Delegated Authority.

6.) **AMERICAN TRUST & SAVINGS BANK, WHITING, LAKE COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch banking office to be located at the **Northwest Corner of U.S. Route 20 and Waverly Road, Carroll County, Indiana**. The application was received on August 6, 2001. The branch is to be known as Duneland Branch. The bank will construct a new building for a cost of \$422M. The cost to purchase the land was \$158M and furniture, fixtures, and equipment costs are projected at \$250M. No insider relationship exists between any insiders of the bank and any of the parties involved in this transaction. The bank's three-year average ROA is 0.46%. As of March 31, 2001, the bank's Tier 1 leverage capital ratio is 7.44%. The investment in total fixed assets to total capital will be 20.57% after the establishment of the branch. This will be the institution's third branch. **The Director approved this on August 20, 2001, under Delegated Authority.**

7.) **NATIONAL CITY BANK OF KENTUCKY, LOUISVILLE, JEFFERSON COUNTY, KENTUCKY**

An application for issuance of a certificate of admission was received from National City Bank of Kentucky, Louisville, Jefferson County, Kentucky ("National City"). National City filed the application to enable it to transact business in the State of Indiana in accordance with the provisions of IC 28-1-22. National City intends to contract with merchants and government units for bankcard transaction processing. It will not have a physical location in

the state. Curtis M. Jacobs, 101 W. Washington Street, Indianapolis, Marion County, Indiana, has been appointed as resident agent for service of legal process by the bank.

A Certificate of Admission was issued on August 20, 2001, by Action Taken under Delegated Authority by the Director.

8.) **FIRST FARMERS BANK AND TRUST COMPANY, CONVERSE, MIAMI COUNTY INDIANA**

The bank has entered into a purchase and assumption agreement dated June 28, 2001, with Lake City Bank, Warsaw, Indiana, for five bank branches. One of the branches acquired will never be operational, as the assets and liabilities will be consolidated into an existing bank branch in Greentown, Indiana. The bank will purchase approximately \$2,197M in fixed assets, \$29,750M in net loans, \$42,352M in cash on hand and \$503M in other assets while assuming deposits of \$78,300 and other liabilities of \$300M. The premium paid for the deposits will be 6.00% or approximately \$3,798M. Additionally, the bank will pay down fed funds purchased and other borrowings of \$21,676M and reduce public funds balances by \$15,000M. The holding company, First Farmers Financial Corp., Converse, Indiana, made a \$7 million capital injection into the bank on July 31, 2001. The holding company raised, net of underwriting fees, \$7.3 million in a Pooled Trust Preferred Offering.

The bank has applied to the Department for approval to establish four branch banking offices to be located at: **1) 3900 US 24 East, Logansport, Cass County, Indiana; 2) 2 North Broadway, Peru, Miami County, Indiana; 3) 110 Chippewa Street, Roann, Wabash County, Indiana; and 4) 1004 North Cass, Wabash, Wabash County, Indiana.** The application was received on July 24, 2001. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank will purchase the land for \$334M, the buildings for \$1,677M and equipment for \$186M from Lake City Bank for all the branches. The bank's three-year average ROA is 1.26%. As of June 30, 2001, the Tier 1 leverage capital ratio is 7.55%. The investment in total fixed assets to total capital will increase from 28.13% as of June 30, 2001, to 33.10% after the investment in all of the fixed assets. This institution will have a total of sixteen branches after the acquisition of the four branches. **The Director approved this on August 30, 2001, under Delegated Authority.**

9.) **BLOOMFIELD STATE BANK, BLOOMFIELD, GREENE COUNTY, INDIANA**

The bank has entered into a purchase and assumption agreement dated June 27, 2001, with The First Bank of Mitchell, Mitchell, Indiana. The agreement allows Bloomfield State Bank to purchase certain assets and assume certain liabilities associated with The First Bank of Mitchell's main office and their only office. Bloomfield State Bank is not acquiring the charter of The First Bank of Mitchell but is acquiring the retail banking assets and assuming the deposits associated with The First Bank of Mitchell. Union Federal Bank, Indianapolis, Indiana will acquire the deposits associated with National InterBank, a division of The First Bank of Mitchell and the Internet portion of the bank charter.

Bloomfield State Bank will purchase \$232M in premises and equipment, \$26,961M in net loans, \$13,067M in cash on hand, \$152M in accrued interest receivables and will assume approximately \$41,700M in deposits and \$125M in accrued interest payables. The deposit premium paid will be 5.62%, except for approximately \$7 million in brokered CD's, which the bank will pay par value. Additionally, the bank will purchase the loans at a slight discounts of 98%, though the seller can regain some of that discount if certain loans perform satisfactorily over the thirty-six months immediately following closing. The premium to be

paid for the deposits will be approximately \$1,941M and the loan discount will be approximately (524M).

The bank has applied to the Department for approval to establish a branch banking office to be located at **628 West Main Street, Mitchell, Lawrence County, Indiana**. The application was received on July 19, 2001. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank will purchase the land, building and

furniture, fixtures, and equipment for \$232M. The bank's three-year average ROA is 0.94%.

As of June 30, 2001, the Tier 1 leverage capital ratio is 8.69%. The investment in total fixed assets to total capital will increase from 15.99% as of June 30, 2001, to 16.99%. This institution will have a total of nine branches after the acquisition of this branch. **The Director approved this on August 30, 2001, under Delegated Authority.**

10.) FARMERS & MERCHANTS BANK, LAOTTO, NOBLE COUNTY, INDIANA

The bank has requested permission to hold a piece of other real estate in excess of the ten-year limitation prescribed in IC 28-1-11-5(c). The bank purchased the property on July 5, 1991 for the purpose of relocating the main office from downtown LaOtto to the new SR 3, which by-passed the town. The bank currently owns 3 acres on the southeast corner of SR 205 and SR 3; however, they are in the process of trading the property for a prime lot on the southwest corner. After consummation of the trade, the bank anticipates requesting approval for a main office relocation within the next 2-5 years. President Lepper stated the main office relocation has been delayed due to the opening of a branch in Churubusco and then it's relocation last year. The property is on the bank's books for its original purchase price of \$30M. The bank's tier 1 leverage capital ratio as of March 31, 20001 is 8.07% and ROA is 0.76%. An examination recently conducted by the Department revealed the overall condition of the bank to be satisfactory. Allowing the bank to continue to hold the real estate does not appear to endanger the safety and soundness of the bank. **It is recommended that the bank be granted an extension to hold the real estate until September 1, 2002, at which time it will be necessary for the bank to provide definite plans and a timetable for the use of the property if they request another extension to continue to hold the property. The Director approved this on August 30, 2001, under Delegated Authority.**

11.) BANK OF LOUISVILLE, LOUISVILLE, JEFFERSON COUNTY, KENTUCKY

An application for issuance of a certificate of admission was received from the Bank of Louisville, Louisville, Jefferson County, Kentucky. The Bank of Louisville filed the

application with the Department due to its pending merger with the Bank of Louisville, FSB, LaGrange, Kentucky ("FSB"). The Bank of Louisville will survive the merger. FSB currently has a branch in New Albany, Floyd County, Indiana. After the merger is consummated this branch will become a branch of the Bank of Louisville. The merger is projected to consummate on September 1, 2001. FBT, LLC, 120 West Spring Street, Suite 400, New Albany, Floyd County, Indiana has been appointed as resident agent for service of legal process by the bank. **A Certificate of Admission was issued by the Director on August 30, 2001 under Delegated Authority.**

12.) **STATEMENT WITH REGARD TO PROPOSED PLAN OF EXCHANGE**

The Staff of the Department is requesting the Director affirm the following updated and revised application. The Statement With Regard To Proposed Plan Of Exchange is required to be filed with the Department for the formation of certain bank holding companies pursuant to IC 28-1-7.5. The effective date of the application will be August 31, 2001. **The Director approved this on August 31, 2001, under Delegated Authority.**

13.) **INDEPENDENCE BANK, NEW ALBANY, FLOYD COUNTY, INDIANA**

The bank has applied for approval to open a branch banking office to be located at **1711 E. Tenth Street, Jeffersonville, Clark County, Indiana**. The application was received on August 6, 2001. The branch is to be known as Independence Bank. The location is the former branch of another bank that vacated the building approximately 18 months ago. It is fully equipped so there is very little leasehold expense associated with the branch. The bank will lease the space from an independent third party. The initial lease term is for a period of three years with options for additional three years. The annual lease expense is \$27M, \$30M, and \$33M, respectively for the first three years. There is also an option to purchase the property for a specific amount during the 1st option period. Leasehold expenses are estimated at \$10M and furniture, fixtures, and equipment at \$50M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank's three-year average ROA is 0.27%. As of June 30, 2001, the Tier I leverage capital ratio is 8.18%. The investment in total fixed assets to total capital will be 15.75% after the establishment of the branch. This will be the institution's second branch. **APPROVAL IS RECOMMENDED FOR THE BANK TO LEASE THE FACILITY TO OPERATE A BRANCH. IT IS FURTHER RECOMMENDED THE BANK BE REQUIRED TO OBTAIN THE DIRECTORS APPROVAL PRIOR TO EXERCISING ITS OPTION TO PURCHASE THE REAL ESTATE. The Director approved this on September 20, 2001, under Delegated Authority, subject to the above conditions.**

14.) **COMMUNITY TRUST AND INVESTMENT COMPANY, GREENCASTLE, PUTNAM COUNTY, INDIANA**

The corporate fiduciary has applied to the Department for approval to relocate its main office from **15 West Franklin Street, Greencastle, Putnam County, Indiana** to **50 North Ninth Street, Noblesville, Hamilton County, Indiana**. The application was received on June 29, 2001. The current main office will remain open and operated as a trust office. On June 15, 2001, the corporate fiduciary entered into a lease agreement with an independent third party.

The corporate fiduciary's CEO has been working out of this location doing primarily business development. No fiduciary activity has previously been performed at the location.

The lease expires in April 2005. Monthly lease payments are \$1,984.50. There is an option to extend the lease for an additional five-year period. There are no projected additional expenses for leasehold improvements or furniture, fixtures, or equipment. As of June 30, 2001, the corporate fiduciary had assets under administration of \$239 million and equity capital of \$1,243M. The corporate fiduciary will continue to have three trust offices.

The Director approved this on September 20, 2001, under Delegated Authority.

- 15.) **UNITED COMMERCE BANK, BLOOMINGTON, MONROE COUNTY, INDIANA**
The bank has applied to the Department for approval to establish a branch banking office to be located at **1285 South College Mall Road, Bloomington, Monroe County, Indiana**. The application was received on August 24, 2001, and the branch is to be known as the **East Branch**. The land and building will be leased by the bank from an independent third party. The existing building will be torn down and the proposed branch will be built by the landowner to the bank's specifications. The bank will lease the space for \$2,500 per month. When construction of the building commences, a land lease of \$2,500 per month for the first year and \$4,593 per month thereafter will be paid. The land lease is for a term of 15 years with an option for three additional 15-year terms. Furniture, fixtures, and equipment costs are approximated at \$120M. Applicant is a recently chartered commercial bank approved by the DFI on October 14, 1999, and opened for business on January 31, 2000. Proforma financials in their formation application contemplated opening branches in the second and third years of operation. As of June 30, 2001, the bank's Tier 1 leverage capital ratio is the proposed branch 12.87%. The investment in total fixed assets to total capital will increase from 1.61% before to 3.34% after the investment in the branch. This will be the institution's second branch. **The Director approved this on September 20, 2001, under Delegated Authority.**

- 16.) **BANK OF GENEVA, GENEVA, ADAMS COUNTY, INDIANA**
The bank has applied to the Department for approval to establish a branch banking office to be located at **105 West Main Street, Saratoga, Randolph County, Indiana**. The application was received on August 31, 2001, and the branch is to be known as the **Bank of Geneva – Saratoga Office**. The Town of Saratoga has agreed to purchase the Old National Bank branch building, which is being closed by Old National Bank, and lease it to the applicant for \$800 to \$1,000 per month with a term of at least three years. The lease arrangements must still be worked out with the Town Board. The estimated cost for leasehold improvements is \$25M and furniture, fixtures, and equipment costs are expected to be \$75M. The bank's three-year average ROA is 1.03%. As of June 30, 2001, the bank's Tier 1 leverage capital ratio is 11.45%. The investment in total fixed assets to total capital will increase from 10.26% before the proposed branch to 11.05% after the investment in the branch. This will be the institution's third branch. **The Director approved this on September 20, 2001, under Delegated Authority.**

CREDIT UNION DIVISION

1.) NEW ALBANY SCHOOLS CREDIT UNION, NEW ALBANY, FLOYD COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of a Proposed

Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

North Harrison Community School Corporation – Ramsey – 300 members (common bond of occupation as defined by 28-7-1-10)

Lanesville Community School Corporation – Lanesville – 75 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on August 1, 2001, under Delegated Authority.

2.) TAPER LOCK CREDIT UNION, MISHAWAKA, ST. JOSEPH COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Charleston Corporation – Bremen – 100 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on August 2, 2001, under Delegated Authority.

3.) GREATER INDIANAPOLIS FIREFIGHTERS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

The amendment would allow the Credit Union to include part-time firefighters and civilian employees of Fire Departments already included in the field of membership. Also, the term life partner is being added to the definition of immediate family.

The Director approved this on August 16, 2001, under Delegated Authority.

4.) FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment

would place the following organizations into the field of membership of the credit union:

XLC Personnel Services – Indianapolis – 200 members (common bond of occupation as defined by 28-7-1-10)

Factory Fitness.com – Indianapolis – 25 members (common bond of occupation as defined by 28-7-1-10)

Business Sales and Solutions – Indianapolis – 2 members (common bond of occupation as defined by 28-7-1-10)

Zionsville Sports, Inc. – Whitestown – 45 members (common bond of occupation as defined by 28-7-1-10)

Morris Associates – Indianapolis – 176 members (common bond of occupation as defined by 28-7-1-10)

Bessert & Associates – Indianapolis – 3 members (common bond of occupation as defined by 28-7-1-10)

Hat World – Indianapolis – 200 members (common bond of occupation as defined by 28-7-1-10)

Office Keepers, Inc. – Indianapolis – 50 members (common bond of occupation as defined by 28-7-1-10)

CEROK, Inc. – Indianapolis – 3 members (common bond of occupation as defined by 28-7-1-10)

Creative Resources – Indianapolis – 6 members (common bond of occupation as defined by 28-7-1-10)

Community Counseling Center – Indianapolis – 25 members (common bond of occupation as defined by 28-7-1-10)

Buztronics – Indianapolis – 60 members (common bond of occupation as defined by 28-7-1-10)

Bingham Summers Welsh & Spilman, LLP – Indianapolis – 160 members (common bond of occupation as defined by 28-7-1-10)

Aero Industries, Inc. – Indianapolis – 98 members (common bond of occupation as defined by 28-7-1-10)

Sahm's Restaurant and Catering – Fishers – 90 members (common bond of occupation as defined by 28-7-1-10)

Sankyo America, Inc. – Indianapolis – 13 members (common bond of occupation as defined by 28-7-1-10)

DSS Consulting, Inc. – Indianapolis – 32 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on August 23, 2001, under Delegated Authority.

5.) CENTRA CREDIT UNION, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment

would place the following organizations into the field of membership of the credit union:

Cracker Barrel Old Country Stores – Sellersburg – 126 members (common bond of occupation as defined by 28-7-1-10)

Professional Medical Transcription, Inc. – Sellersburg – 20 members (common bond of occupation as defined by 28-7-1-10)

R.B. Carriers, Inc./FF&B, Inc. – Jeffersonville – 55 members (common bond of occupation as defined by 28-7-1-10)

Spear Electric Company – Sellersburg – 30 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on August 23, 2001, under Delegated Authority.

6.) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Employees of Heritage Lake Property Owners Association – Coatesville – 25 members (common bond of occupation as defined by 28-7-1-10)

Foodmart – Walkerton – 9 members (common bond of occupation as defined by 28-7-1-10)

Atallena Solutions, Inc. – Avon – 2 members (common bond of occupation as defined by 28-7-1-10)

Jeld-Wen, Inc. – Plymouth – 150 members (common bond of occupation as defined by 28-7-1-10)

Irrigation Systems, Inc. – South Bend – 4 members (common bond of occupation as defined by 28-7-1-10)

Ventline – Bristol – 180 members (common bond of occupation as defined by 28-7-1-10)

VanCamp Mortgage – South Bend – 5 members (common bond of occupation as defined by 28-7-1-10)

Copper Mountain, LLC – Indianapolis – 2 members (common bond of occupation as defined by 28-7-1-10)

Culver-Union Township Public Library – Culver – 14 members (common bond of occupation as defined by 28-7-1-10)

Madras Packaging, LLC – Argos – 80 members (common bond of occupation as defined by 28-7-1-10)

North America Packaging Corporation – Valparaiso – 120 members (common bond of occupation as defined by 28-7-1-10)

KBP Hospitality, Inc. – Richmond – 3 members (common bond of occupation as defined by 28-7-1-10)

Welcome Lodging, Inc. – Richmond – 2 members (common bond of occupation as defined by 28-7-1-10)

Zion United Church of Christ – South Bend – 207 members (common bond of church membership as defined by 28-7-1-10)

Saint Joseph Valley Management and Athletic Training Services, LLC – South Bend – 1 member (common bond of occupation as defined by 28-7-1-10)

Shree Nathji, Inc. – Fort Wayne – 5 members (common bond of occupation as defined by 28-7-1-10)

Michiana Truss, Inc. – Dowagiac, MI – 30 members (common bond of occupation as defined by 28-7-1-10)

The Quantum Training Group, LLC – Indianapolis – 2 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on August 29, 2001, under Delegated Authority.

7.) TECH CREDIT UNION, CROWN POINT, LAKE COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Outlook Pointe at Merrillville – Merrillville – 50 members (common bond of occupation as defined by 28-7-1-10)

Kraft Paper Sales, Inc. – Harvey, IL – 49 members (common bond of occupation as defined by 28-7-1-10)

Town & City Motors, Inc. – Gary – 7 members (common bond of occupation as defined by 28-7-1-10)

Crim's Custom Color – Hebron – 2 members (common bond of occupation as defined by 28-7-1-10)

Boyer and Nash, P.C. – Joliet, IL – 3 members (common bond of occupation as defined by 28-7-1-10)

Ultimate Design Salon – Lansing, IL – 8 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on August 30, 2001, under Delegated Authority.

8.) INDIANA MEMBERS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Polymer Technology Systems, Inc. – Indianapolis – 87 members (common bond of occupation as defined by 28-7-1-10)

Mitsubishi Heavy Industries Climate Control, Inc. – Franklin – 620 members (common bond

of occupation as defined by 28-7-1-10)

The Indianapolis Marriott Downtown – Indianapolis – 500 members (common bond of occupation as defined by 28-7-1-10)

Stacy D. Johnson, D.D.S. – Greenwood – 7 members (common bond of occupation as defined by 28-7-1-10)

Hoosier Motor Club – Indianapolis – 350 members (common bond of occupation as defined by 28-7-1-10)

Player's/Forsythe Racing Team, Ltd. – Indianapolis – 58 members (common bond of occupation as defined by 28-7-1-10)

Irvington Radiologists, P.C. – Indianapolis – 84 members (common bond of occupation as defined by 28-7-1-10)

Indiana Civil Rights Commission – Indianapolis – 50 members (common bond of occupation as defined by 28-7-1-10)

RPE/Cobb & Associates, Inc. – Greenwood – 12 members (common bond of occupation as defined by 28-7-1-10)

Chapter 13 Trustee, Robert A. Brothers – Indianapolis – 24 members (common bond of occupation as defined by 28-7-1-10)

R.T. Moore Company, Inc. – Indianapolis – 190 members (common bond of occupation as defined by 28-7-1-10)

Mezzia, Inc. – Indianapolis – 23 members (common bond of occupation as defined by 28-7-1-10)

Made2Manage Systems, Inc. – Indianapolis – 250 members (common bond of occupation as defined by 28-7-1-10)

Indiana Lumbers Mutual Insurance Company – Indianapolis – 120 members (common bond of occupation as defined by 28-7-1-10)

CedarLeaf Family Massage – Danville – 1 member (common bond of occupation as defined by 28-7-1-10)

Powerway, Inc. – Indianapolis – 243 members (common bond of occupation as defined by 28-7-1-10)

SafeDose – Indianapolis – 15 members (common bond of occupation as defined by 28-7-1-10)

Woods Applied Technologies – Indianapolis – 5 members (common bond of occupation as defined by 28-7-1-10)

Erin E. Wittrig, D.D.S. – Greenwood – 9 members (common bond of occupation as defined by 28-7-1-10)

Kristin Jackson, D.D.S. – Greenwood – 9 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on September 6, 2001, under Delegated Authority.

9.) CENTRA CREDIT UNION, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment

would place the following organizations into the field of membership of the credit union:

Care-Pets Animal Hospital – Sellersburg – 11 members (common bond of occupation as defined by 28-7-1-10)

Clark County Government - Jeffersonville – 400 members (common bond of occupation as defined by 28-7-1-10)

Fry Plumbing Contractor – Sellersburg – 10 members (common bond of occupation as defined by 28-7-1-10)

Home News Enterprises, LLC – Columbus – 470 members (common bond of occupation as defined by 28-7-1-10)

Independent Piping, Inc. – Sellersburg – 50 members (common bond of occupation as defined by 28-7-1-10)

Meltzer's Gym, Inc. – Shelbyville – 10 members (common bond of occupation as defined by 28-7-1-10)

NIBCO – Charlestown – 145 members (common bond of occupation as defined by 28-7-1-10)

SerVend International, Inc. – Sellersburg – 177 members (common bond of occupation as defined by 28-7-1-10)

Southern Indiana Surgery, Inc. – Columbus – 25 members (common bond of occupation as defined by 28-7-1-10)

Tiny Timbers div. of Homestead Properties, Inc. – Deputy – 6 members (common bond of occupation as defined by 28-7-1-10)

Employees of the town of Hanover – Hanover – 12 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on September 24, 2001, under Delegated Authority.

10.) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Mullin Remodeling, Inc. – Indianapolis – 3 members (common bond of occupation as defined by 28-7-1-10)

Indiana Humanities Council - Indianapolis – 7 members (common bond of occupation as defined by 28-7-1-10)

Fricks Driver Education School, Inc. – Mishawaka – 12 members (common bond of occupation as defined by 28-7-1-10)

Grass Roots Media, Inc. – South Bend – 5 members (common bond of occupation as defined by 28-7-1-10)

WestCo, Inc. – Indianapolis – 1 member (common bond of occupation as defined by 28-7-1-10)

Wolfsong Wind Systems, Inc. – Walkerton – 2 members (common bond of occupation as

defined by 28-7-1-10)

Odyssey Group, LLC – Bristol – 101 members (common bond of occupation as defined by 28-7-1-10)

Third Eye, Inc. – Elkhart – 1 member (common bond of occupation as defined by 28-7-1-10)

State Farm Insurance – South Bend – 2 members (common bond of occupation as defined by 28-7-1-10)

Jet Corr – Valparaiso – 250 members (common bond of occupation as defined by 28-7-1-10)

Swagat Hospitality, Inc. – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10)

Innovative Packaging, Inc. – Huntington – 45 members (common bond of occupation as defined by 28-7-1-10)

Peerless-Midwest, Inc. – Mishawaka – 70 members (common bond of occupation as defined by 28-7-1-10)

Lisa's Music Box – Galien, MI – 1 member (common bond of occupation as defined by 28-7-1-10)

Cochran's Garage, Inc. – Hillsboro – 2 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on September 24, 2001, under Delegated Authority.

CONSUMER CREDIT DIVISION

- 1.) AmeriCredit Financial Services, Inc. is requesting a consumer loan license. Applicant is based in Arlington, TX with 6 Indiana branches. They will be making auto loans. They will be servicing their loans. Entity is currently registered with DFI to purchase retail contracts from Indiana dealers. Loan license is being obtained to make direct loans in some instances. They currently operate in 30 states. Applicant is recommended for approval. **The Director approved this on August 23, 2001, under Delegated Authority.**
- 2.) Affinity Mortgage LLC d/b/a Catholic Home Loan is requesting a consumer loan license. Applicant is based in Dallas TX. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company. They currently operate in 21 states. Applicant is recommended for approval. **The Director approved this on August 23, 2001, under Delegated Authority.**
- 3.) Bankers Express Mortgage, Inc. is requesting a consumer loan license. Applicant is based in Woodland Hills CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company. Entity will also become licensed to broker loans in Indiana. This license is through the Securities Division of the Secretary of State's office. They currently operate in four states. Applicant is recommended for approval. **The Director approved this on August 23, 2001, under Delegated Authority.**
- 4.) Clarity Inc. d/b/a United Check Cashing is requesting a consumer loan license. Applicant is

- based in Indianapolis IN. They will be making short-term, single pay loans. They will be servicing their loans. Entity is currently a licensed check casher #7930. He has signed an affidavit acknowledging his compliance with Attorney General opinion from January 2000 regarding maximum interest rates. Applicant is recommended for approval. **The Director approved this on August 23, 2001, under Delegated Authority.**
- 5.) CMF Mortgage Co. is requesting a consumer loan license. Applicant is based in Rockford IL with Indiana locations to be determined. They will be making second mortgage loans. They will be servicing their loans. Applicant is recommended for approval. **The Director approved this on August 23, 2001, under Delegated Authority.**
 - 6.) Mortgage Services U.S.A., Inc. is requesting a consumer loan license. Applicant is based in Dania Beach FL. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by title company. They currently operate in 13 states. Applicant is recommended for approval. **The Director approved this on August 23, 2001, under Delegated Authority.**
 - 7.) Nexstar Financial Corporation is requesting a consumer loan license. Applicant is based in Creve Coeur MO. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in 36 states. Applicant is recommended for approval. **The Director approved this on August 23, 2001, under Delegated Authority.**
 - 8.) Oakmont Mortgage Company, Inc. is requesting a consumer loan license. Applicant is based in Woodland Hills CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in 19 states. Applicant is recommended for approval. **The Director approved this on August 23, 2001, under Delegated Authority.**
 - 9.) Deborah Caperoon d/b/a Dash for Cash Trading Company is requesting a pawnbroker license. Applicant is based in Greensburg. References were all satisfactory. Owner has experience in consumer credit sales. An interview with applicant revealed no reasons to not grant the PB license. Applicant is recommended for approval. **The Director approved this on August 23, 2001, under Delegated Authority.**
 - 10.) KWG Investments, Inc. d/b/a Cash 'n Go is requesting a check casher license. Applicant is based in Carmel IN with 7 locations. They will be cashing all types of checks. References were all satisfactory. Principals of the business are currently licensed under LL #1626, Instant Cash Advance. This entity makes single pay, short term loans. They plan to discontinue this business and do strictly check cashing under this new entity. Applicant is recommended for approval. **The Director approved this on August 23, 2001, under Delegated Authority.**
 - 11.) Quickdiner, Inc. is requesting a money transmitter license. Applicant is based in Chicago IL, and will initially have 5 agents in Indiana. Money will be transmitted by wire transfers.

They currently operate in Illinois. They have met all financial requirements under the Act. An interview with the president of the company making application revealed no reasons for not granting money transmitter license. Applicant is recommended for approval. **The Director approved this on August 23, 2001, under Delegated Authority.**

- 12.) The Oak Agency is requesting approval as third party administrator for a Guaranteed Auto Protection (GAP) Program. Applicant is based in Elmhurst IL. The maximum charge to the customer is \$420. Full refund if cancelled within the first 60 days. Rule of 78ths refund upon prepayment. Customer deductible covered up to \$1,000. There is a contractual liability policy issued by Hartford Insurance. The initial dealer requesting approval is Circle Oldsmobile. All future dealers will agree to abide by the same terms as those approved.

Approval is subject to review at a future date as deemed necessary by the Department. It is recommended that the program be approved as submitted and subject to the above conditions. This is provided for under IC 24-4.5-2-202 (1)(c). **The Director approved this on August 23, 2001, under Delegated Authority.**

There being no further business to come before the Members, a motion to adjourn the meeting was made by Mr. Zaleski and seconded by Mr. Saner. **The motion was unanimously approved.**

APPROVED:

ATTEST:

Gary M. Smith, Vice Chairman

J. Philip Goddard, Secretary